

# Ginnie Mae Single Family Issuer Training

## Pool Submission **PART II**

# Targeted Lending Initiative



# Targeted Lending Initiative

The Targeted Lending Initiative allows Ginnie Mae Issuers who issue pools which include loans located in communities HUD has designated as Urban Empowerment Zones, Supplemental Empowerment Zones, Enterprise Communities, or Enhanced Enterprise Communities to receive a reduced guaranty fee by up to 50 percent.

# Targeted Lending Initiative

- The Targeted Lending Initiative was introduced in September 1996. All pools issued on or after October 1, 1996 via Ginnie*NET* may qualify for the reduced guaranty fee.
- All Ginnie Mae Issuers in good standing may participate in the Targeted Lending Initiative.
- All Targeted Lending pools must be transmitted via Ginnie*NET*.

# The Reduced Guaranty Fee Schedule for Eligible Loans

## Percent of Eligible Unpaid Principal Balance in Pool Guaranty Fee

<u>Minimum</u>	<u>Maximum</u>	<u>Basis Points</u>
0.00%	< 33.33%	6
33.33%	< 66.67%	5
66.67%	<100.00%	4
100.00%	100.00%	3

# The Process

- Issuer imports or enters pools with mortgage details on the Ginnie*NET* desktop.
- Issuers may check loans on Ginnie*NET* for Targeted Lending.
- Pool is transmitted to the network.
- Network verifies targeted lending loans and calculates guaranty fee.
- If pool qualifies as TLI, a reduced guaranty fee is applied.

# Ginnie*NET* Targeted Lending Report

Pool No	Address	City	St Zip Code	Census Tract	Status
568798MSF	5521 WEST CAMBRIDGE AVENUE	PHOENIX	AZ 85035	04013112400	Targeted Lending Are
568798MSF	401 NORTH 13TH STREET	PHOENIX	AZ 85006	04013113200	Targeted Lending Are
568798MSF	1262 DUDLEY AVE	MUSKEGON	MI 49442	26121000100	Targeted Lending Are
568798MSF	903 W. MISSOURI AVE.	PHOENIX	AZ 85013	04013107400	Targeted Lending Are

## Ginnie*NET* Targeted Lending Fax



GinnieNET Fax Server 5/24/1999 11:47

PAGE 1/1

RightFAX

Note:

Pool 568798MSF qualifies as a Targeted Lending Pool  
with a Guaranty Fee Rate of 3 Basis Points.

\*\* IT IS IMPERATIVE THAT YOU SHARE THE REDUCED GUARANTY FEE INFORMATION  
WITH THE APPROPRIATE PERSONNEL IN YOUR INVESTOR REPORTING DEPARTMENT. \*\*

# Final Certification and Recertification





# Final Certification

- Final Certification - the document custodian certifies to Ginnie Mae that the Issuer has submitted all required loan documents in correct form.
- Final Certification of a pool must be completed no later than 12 months after the issue date of the related securities.

# Recertification

- Recertification - the document custodian certifies to Ginnie Mae, in connection with a transfer of Issuer responsibility for a pool or a transfer of pool loan documents to a new document custodian, that all required loan documents are present and in good order.
- Recertifications are due to Ginnie Mae 12 months after a transfer of Issuer/Custodian has taken place.

# Schedule of Pooled Mortgages

For all certifications, the following information must be provided:

- FHA & VA Case Number
- Complete address for each mortgage
- Certification date
- Issuer's authorized signature, for Recertifications only
- Custodian's name, ID number and address
- Custodian's Authorized signer's name, title and signature

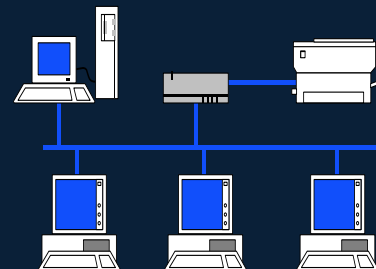
# Most Common Errors/Rejects

- FHA / VA / RHS case number is omitted.
- Document Custodian authorized signature is omitted.
- Detailed Scheduled of Pooled Mortgages is missing or incomplete.

# Final Certifications through Ginnie*NET*

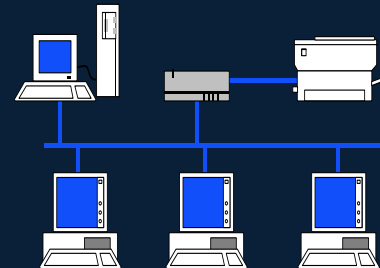
Pools issued on Ginnie*NET* 2020 on or after May 1, 1998 are eligible to be Final Certified on Ginnie*NET*.

This process is paperless.



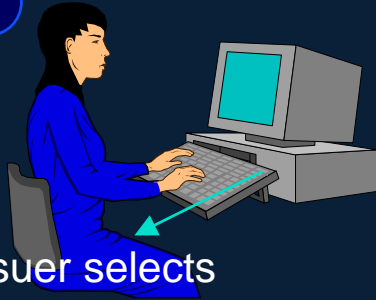
# Recertifications through Ginnie*NET*

Using Ginnie*NET* 2020, Issuers can do paperless processing of Recertifications on a pool level.



# GinnieNET Process

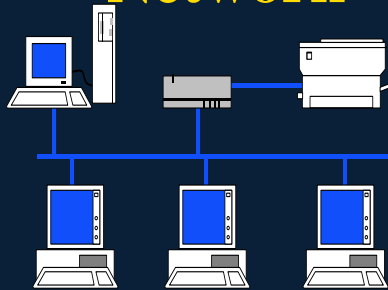
1



- Issuer selects GinnieNET menu option for Recertifications
- Issuer enters pools to be re-certified
- Issuer signs tablet to access Network
- GinnieNET sends the pool numbers to be re-certified to the GinnieNET network



## GinnieNET Network



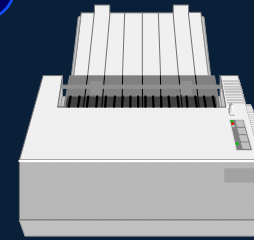
1a

- Issuer retrieves loan detail from the Network for final certification

2

- Issuer completes certification process (including loan substitution)
- Issuer selects option to apply certification edits
- GinnieNET edits pools and flag those that pass the edits

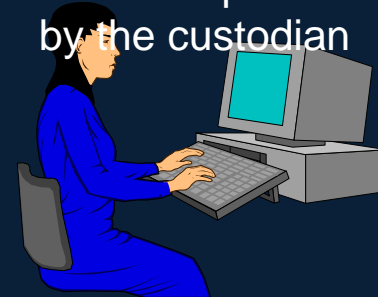
4



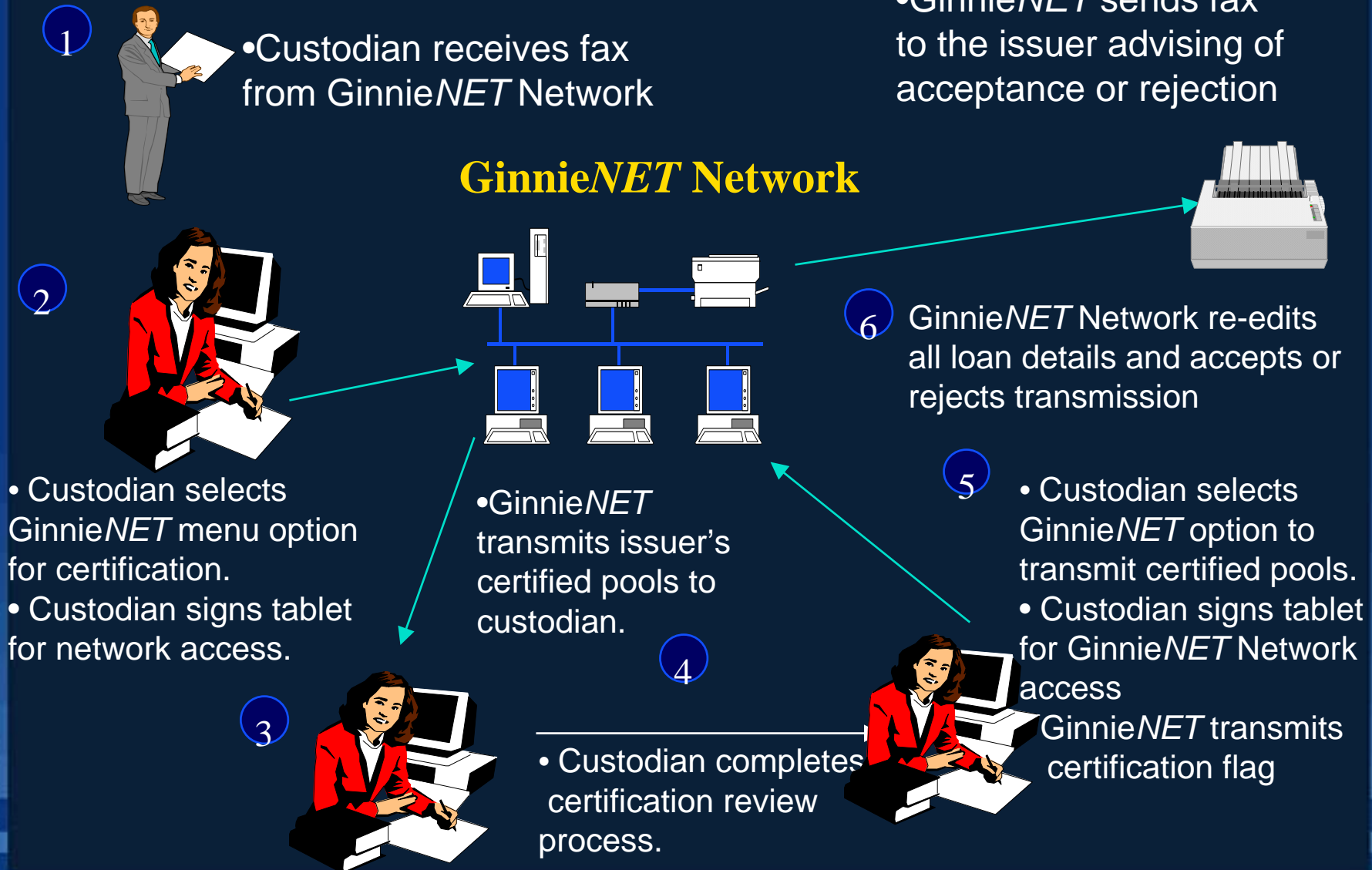
GinnieNET sends fax to the custodian that there is a pool to be certified on the network

3

- Issuer selects option to transmit certified pools
- Issuer signs tablet to access GinnieNET network
- GinnieNET transmits loan details of pools to be certified by the custodian



# Custodian Process Flow





# GinnieNET 2020

**Certifications - Issuer - 1500**

File Edit Process Navigation Reports Communications Tools Window Help

Pool Details (11705):1 [Read]

Selection Criteria		Data Entry	List
Pool#:	879911	Issue Type:	M
		Pool Type:	AR
FC FTN:	1500-000038-879911-M-AR-102605-122906-6		
FC FCN:	- - - - -		
Signed by			
Title:			
Issuer ID/Name:	1500 JPMORGAN CHASE		
Custod. ID/Name:			
Mort. Int Rate:	4.500	to:	4.500
Security Rate:	4.000		
OAA:	312,714.00		
Amort Method:	CD		
Term:	30		
Pool Tax ID:			
Sec. Rate Marg:	2.000		
<input type="checkbox"/> Bond Finance Program			
Edit Status:	Passed edits		
Transfer Status:	Sent		
# Loans:	3		
Issue Date:	04/01/2005		
Maturity Date:	01/20/2035		
Initial Pay Date:	05/20/2005		
Unpaid Bal. Date:	04/01/2005		
Settlement Date:	04/01/2005		
Security Chng Date:	07/01/2006		
Subservicer #:			
Transfer-Issuer ID:			
P&I Acct# / ID:	0201160811	051000020	
T&I Acct# / ID:	0201160838	051000020	
		<a href="#">More..</a>	

Pool Details (11705):1 [Read]

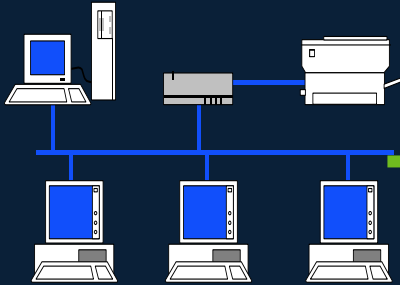
NUM CAPS

# GinnieNET 2020

Selection Criteria		Data Entry		List	
Pool #:	744445	Issue Type:	X	Pool Type:	SF
		Status:	Passed edits	Certified	
Iss Date:	11/01/2005	Sec. Rate:	7.125	Mort Message:	
Qty: FHA:	2	VA:	2	RHS:	0
Amt: FHA:	580815.00	VA:	509590.91	RHS:	0.00
		NA:		NA:	0.00
Amort Method:	CD	Mortgage: MH Type/GP Plan:		FHA	
Number:	000250508020802	Interest Rate:		7.625	
P&I:	\$2,831.17	Mortgage Margin:		0.000	
OPB:	\$400,000.00				
UPB:	\$278,637.11				
Unsch. Prin. Curtail:	0.00	...			
Name of Mortgagor:	Best Mortgagor		GEM A		
Address of Property:	300 Third Avenue		MOM (Y		
City:	MANHATTAN		Other		
State:	NY	Zip Code:	10041-	Exc. Code:	

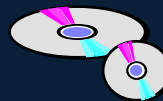
# Pool Processing Agent Process Flow

## GinnieNET Network



- Final certified and recertified pools flagged on the network.
- Transmit certified pools to PPA.

Completed certifications removed from network and archived.



## PPA



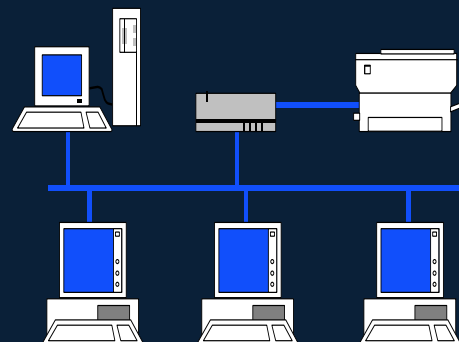
- At 9:00 p.m. each night, a network search identifies pools electronically certified.
- Receive pool numbers and certification completion dates and update system.

# Master Agreement Certification

**Master Agreement Renewal Certifications can now be submitted through *GinnieNET***



***GinnieNET* Network**



# Master Agreement Certification

New Pool Processing - Issuer

File Edit Process Navigation Reports Communications Tools Window Help

Master Agreement Certification for Year

Select Certification Year Select Info to Certify

Available			
Custodian	000035		
Custodian	000038		
P&I Account	326856555555	352354654646545	
P&I Account	78687676796766666678	352354654646545	
T&I Account	56464646464646466666	352354654646545	

Selected

Send for certification Exit without certification

Column 1= Pool number; Column 2= Issue type; Column 3= Pool type; Column 4= FTN

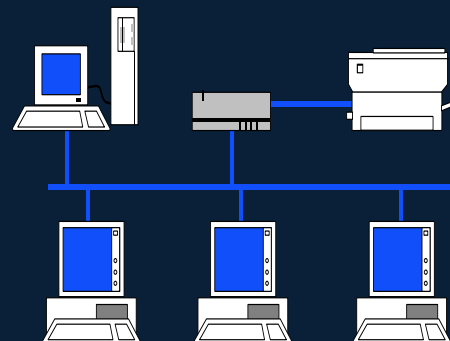
NUM CAPS

# Document Custodian Transfer Request

**Document Custodian Transfer requests must be submitted through *GinnieNET***



***GinnieNET* Network**



# Transfer Screen

**Certifications - Issuer - 1500**

File Edit Process Navigation Reports Communications Tools Window Help

Document Custodian Transfer:1 [New]

**Selection Criteria**      **Data Entry**      **List**

☒ Complete Transfer    ☐ Partial Transfer    ☐ Complete Merger    ☐ Partial Merger

FTN: \_\_\_\_\_ Status: **NEW**

Issuer: **1500** **JPMORGAN CHASE**

New Custodian: **000038** **JP MORGAN CHASE**

Date of Transfer: **10/31/2005**

Reg. Authority: **FDIC** **the Federal Deposit Insurance Corp.**

Consideration For Service To Be Performed By The Custodian:  
**HOLD ALL DOCUMENTS**

Previous Custodian(s)

<b>000039</b> <b>CHASE</b>
<b>000039 - CHASE</b>

Add Remove Sort

**Pool list from 000039**

787875	▲	Add
457233	■	Remove
345545	▼	Sort
		Import

Document Custodian Transfer:1 [Read]      NUM CAPS

Registry/Transfer/Paying





# Pool Administration Process Overview

- Central Registry
- Certificate Transfer Process
- Remaining Principal Balance Reporting
- Security Holder Payments
- Guaranty Fee Collection

# Central Registry



# Central Registry

- A file of all Ginnie Mae MBS certificates and certificate holders which the CPTA updates and maintains for Ginnie Mae.
- Allows automatic validation of certificate transfers and posting of original issuance securities.
- Contains pool, issuer and investor information.

Ginnie Mae Guaranty is based on this file.

# Certificate Transfer Process



# Certificate Transfer Process

- Original Issuance: Investor position at time of issuance of a new pool.
- Original issue positions are in the name of the Federal Reserve Bank of NY (FRBNY).
- Position for FRBNY is created in Ginnie Mae's Central Registry when a new pool is approved for issuance and submitted by CPTA to FRBNY for settlement.

# Transfer Processing

To effect the transfer and re-registration of a Ginnie Mae security:

- CPTA receives Ginnie Mae security transfer requests from FRBNY, Commercial Banks, NASD Members, Authorized Certificate Dealers, Issuers and Certificate Holders
- Ginnie Mae requires that any transfer request presented to CPTA be accepted subject to examination.

# Transfer Processing

- Transfer requests are turned around within 24 hours of receipt.
- Transfer requests and documents submitted are reviewed and verified to ensure that all criteria are met to effect a transfer.
- The Central Registry is updated.
- The Central Registry is reconciled daily with FRBNY to ensure accuracy of the Fed's book entry position.

# Transfer Processing

- For a withdrawal from the depository, CPTA reduces FRBNY's position and creates a new certificate.
- For a deposit into the depository, the CPTA cancels the certificate presented and increases FRBNY position by the certificate amount.
- For a re-registration, the CPTA cancels the certificate presented and generates a new certificate for a different security holder.



# Daily Transfer Sheets:

- Communicates all relevant pool and certificate information related to each security transfer.
- Mailed to each Ginnie Mae I Issuer who had transfer activity.
- Enables Ginnie Mae I Issuers to update their Ginnie Mae Certificate registry with the necessary pool and certificate data in order to execute timely P & I data.

# Monthly Ginnie Mae Transfer Advice

- Summarizes the transfer activity on the Daily Transfer Sheet for the month.
- Is generated at the end of each record date.
- Mailed to Ginnie Mae I Issuers no later than the 2<sup>nd</sup> business day of the month.
- This information permits Ginnie Mae I Issuers to verify that they received and processed all Daily Transfer Sheets.

# Remaining Principal Balance (RPB) Reporting



# RPB Reporting

- As of the issuer's monthly reporting cut-off date, each issuer is required to report to Ginnie Mae the remaining principal balance (RPB) for each of its pools.
- RPB data is used to compute a "factor" for each pool.
- Pool factors are used to determine P&I payments and the market value of the Ginnie Mae securities.

# RPB Reporting

The CPTA collects the following RPB information from Issuers:

- Ginnie Mae Issuer Number
- MBS Pool or Loan Package Number
- RPB of the Pool or Loan Package.

Issuers are required to report RPBs to the CPTA no later than the second business day of each month.

# RPB Reporting Process

- Issuers calculate the RPB for each pool as of its monthly reporting cut-off date for the preceding month.
- Issuers report RPBs to the CPTA on the second business day of the month.

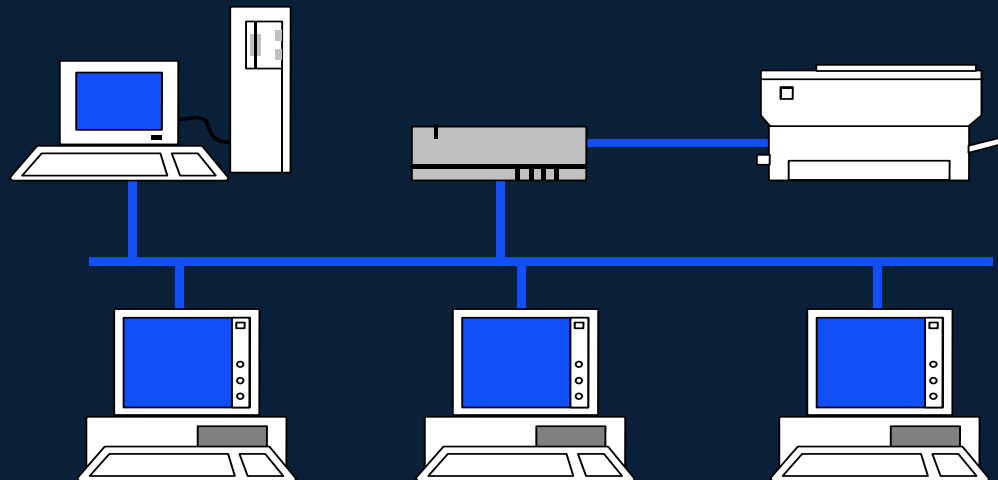
# RPB Reporting Process

- The CPTA sends faxes to Ginnie Mae Issuers if balance failed the edit check or if the pool is not reported.
- The issuer must correct the error and report the correction to the CPTA by the fifth business day of the month.

# Methods of Reporting RPB

Two methods of reporting RPBs available to Issuers:

- Computer-to-computer transmission
- Ginnie*NET* 2020





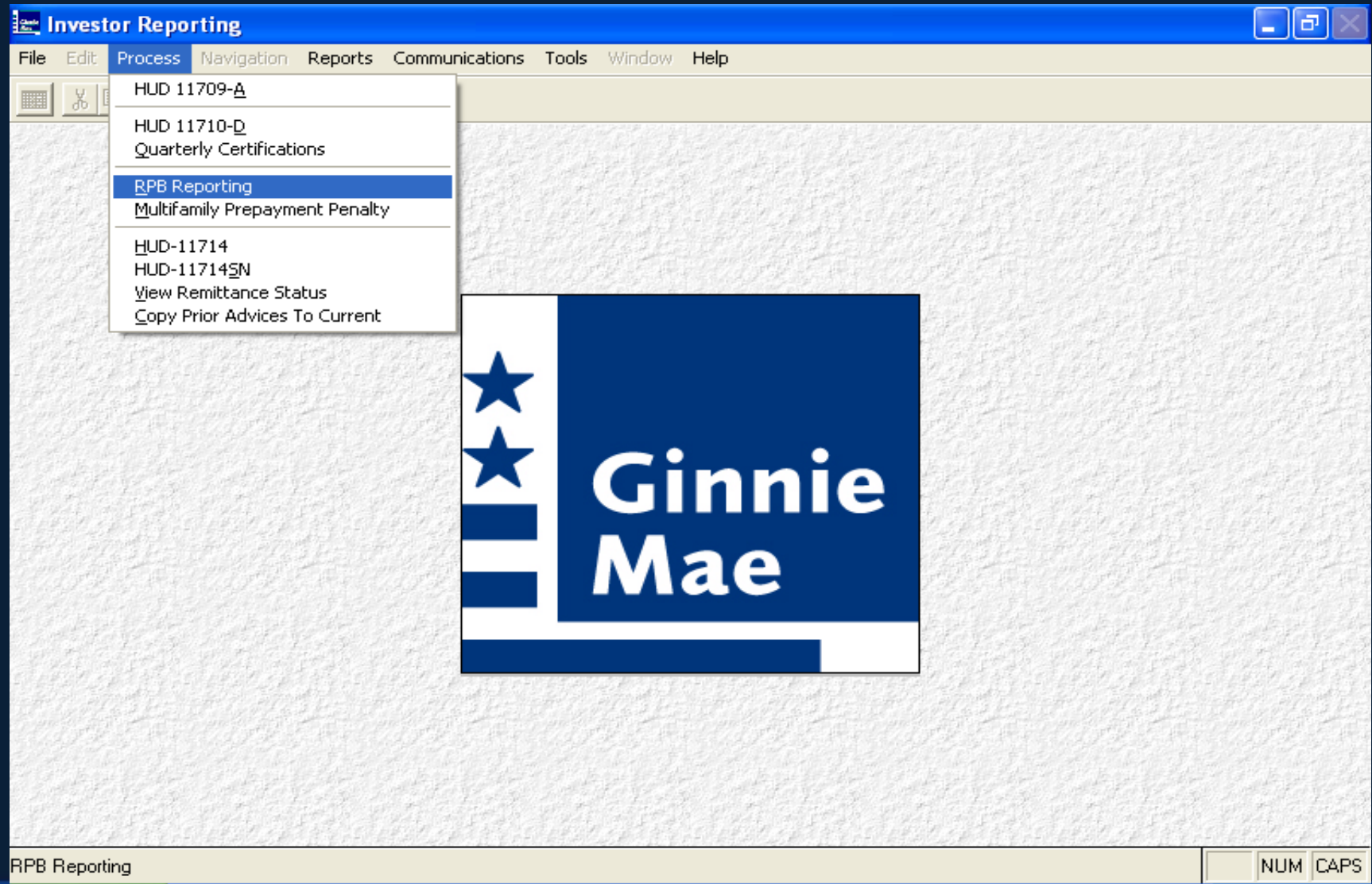
# RPB Reporting

## Methods of Reporting RPB:

Ginnie Mae has mandated that Issuers with fewer than 100 pools **MUST** report RPBs through **GinnieNET 2020**.

By using **GinnieNET 2020** issuers can transmit RPB corrections on the 2<sup>nd</sup> through the 5<sup>th</sup> business day of each month to the network. **GinnieNET 2020** has the ability to import a file through the import function or create a new record on **GinnieNET 2020**.

# RPB Reporting



# RPB Reporting

**Investor Reporting**

File Edit Process Navigation Reports Communications Tools Window Help

Selection Criteria Data Entry List

Issuer Name: JPMORGAN CHASE Issuer ID Number: 1500

RPB Report ID: 07831500 6 Date of Report: 10/26/2005 Status: New

Report	Current Principal Balance	(RPB Contractor) Pool No.
01	378.00	/ 485566
02	378.00	/ 227798
03	378.00	/ 568986
04	378.00	/ 587654
05	400.00	/ 546457
06	20.00	/ 654511
P	1,932.00	Sub-Total

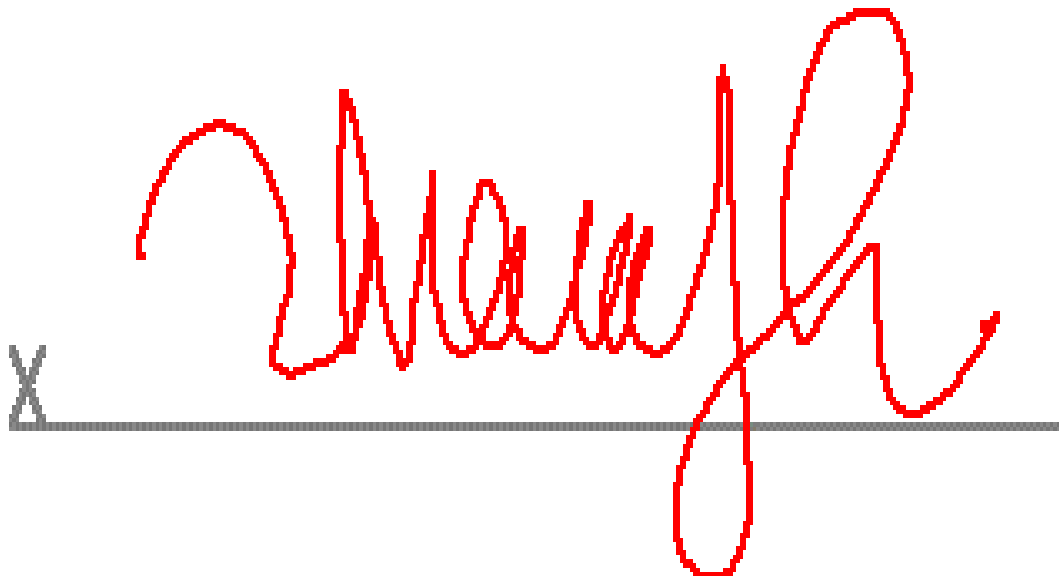
RPB Reporting:1 [Read] NUM CAPS

# Signature Verification

**Signature Verification** [X]

User ID:

Password:

Signature: 

# Host Communications

## Host Communications [Edit]

ACH Debit Authorization (11709-A)

Send Remittance Advice

Send Multifamily Prepayment Penalty Info.

Send 11710D, Q-Cert.

Delete 11710D, Q-Cert.

Vendor Authorization

Send RPB

☒ Send RPB reports

Issuer - Report Date - Report Id - Pool# (Available)

1500-10/26/2005-07831500A6-485566,227798,568986,587654,546457,654511

Issuer - Report Date - Report Id - Pool# (Selected)

Communication Environment

☒ Live

☐ Test

OK

Cancel

# RPB Reporting

## GINNIE MAE MORTGAGEBACKED SECURITIES PROGRAM INFORMATION REPORTING SYSTEM

FTN

Issuer ID Number 1500

RPB Report Identification Number

Date of Report

0 / 7 / 8 / 3 / 1 / 5 / 0 / 0 / A / 6

10/26/2005

### REPORTING FORMAT WORKSHEET

Report	Current Principal Balance	(RPB Contractor) Pool No.	Verification
01	378.00	/485566	
02	378.00	/227798	
03	378.00	/568986	
04	378.00	/587654	
05	400.00	/546457	
06	20.00	/654511	
P	1932.00	Sub-Total	

Report	Current Principal Balance	(RPB Contractor) Pool No.	Verification
01		/	
02		/	
03		/	
04		/	
05		/	
06		/	
P		Sub-Total	

Report	Current Principal Balance	(RPB Contractor) Pool No.	Verification
01		/	
02		/	
03		/	
04		/	
05		/	
06		/	
P		Sub-Total	

Report	Current Principal Balance	(RPB Contractor) Pool No.	Verification
01		/	
02		/	
03		/	
04		/	
05		/	
06		/	
P		Sub-Total	

Report	Current Principal Balance	(RPB Contractor) Pool No.	Verification
01		/	
02		/	
03		/	
04		/	
05		/	
06		/	
P		Sub-Total	

# Payment to Security Holders



# Payment to Security Holders

- Ginnie Mae I Payments
- Ginnie Mae II Payments



# Ginnie Mae I Payments

- The issuer is obligated to make timely monthly payments of principal and interest to the security holders as of the previous record date.
- Issuers must remit P& I to security holders by the 15<sup>th</sup> calendar day of each month along with a 'remittance advice', form HUD 11714, which details the cash distribution.
- Issuers can pay security holders electronically, by fed wire, by ACH, or by check.
- FRBNY is paid via ACH draft.

# Ginnie Mae I Payments

## **Ginnie*NET* 2020**

Ginnie Mae has mandated that Issuers must submit form HUD 11714 for certificate holders through Ginnie*NET* 2020.

Issuers can send P&I payment details to the network starting with the 1<sup>st</sup> calendar day of the payment month until the 8<sup>th</sup> business day.

# Ginnie Mae I Payments

Selection Criteria		Data Entry	List
<b>Security Holder:</b>		<b>Pool/Commitment Number</b>	<b>Date</b>
VICKY MARAJH		324587 x	10/26/2005
DEPT CH 10457		<b>Certificate Number</b>	<b>Reporting Month</b>
		000000005793	10
NEW YORK	NY	<b>Security Interest Rate</b>	<b>Pro Rata Share Percentage</b>
	6005 -	8.00000 %	100.00000000
Transmission Status & FTN			
<b>A. Cash distribution due Security Holder for scheduled principal amortization.</b>			46.18
<b>B. Cash distribution due Security Holder for interest.</b>			26.27
<b>C. Cash distribution of additional principal collections.</b>			0.71
<b>D. Adjustments. [ + or - ] (Explain below)</b>			
<b>E. Less Federal income tax withheld from interest. (if any)</b>			
<b>F. Total cash distribution due Security Holder.</b>			73.16
<b>G. Outstanding balance of this certificate after credit of the above distribution.</b>			3,893.13
<b>Explanation for items above:</b>		<b>Issuer:</b>	
		1500	JPMORGAN CHASE

# Ginnie Mae II Payments

- CPTA is responsible for the calculation, collection and distribution of P&I due Ginnie Mae II security holders.
- P&I due on Ginnie II MBS are calculated based on RPBs reported by the Issuers.
- CPTA calculates the investors' share of pool P&I.
- CPTA drafts P&I amounts from Issuer's account on the 19<sup>th</sup> calendar day for certificate holders and the 20<sup>th</sup> calendar day for FRBNY book entry payments.
- Checks and vouchers are mailed on the 19<sup>th</sup> calendar day and FRBNY funds are wired on the 20<sup>th</sup>.

# Ginnie Mae II Payments

- Investor's P&I is based on investor's pro-rata share of the pool

## **Pro-Rata Share Calculation:**

$$\begin{aligned} \text{Certificate OAA} / \text{Pool OAA} &= \text{Pro Rata Share} \\ \$25,000 / \$10,000,000 &= 0.00250000 \end{aligned}$$

## **Investor's Principal Amount Due:**

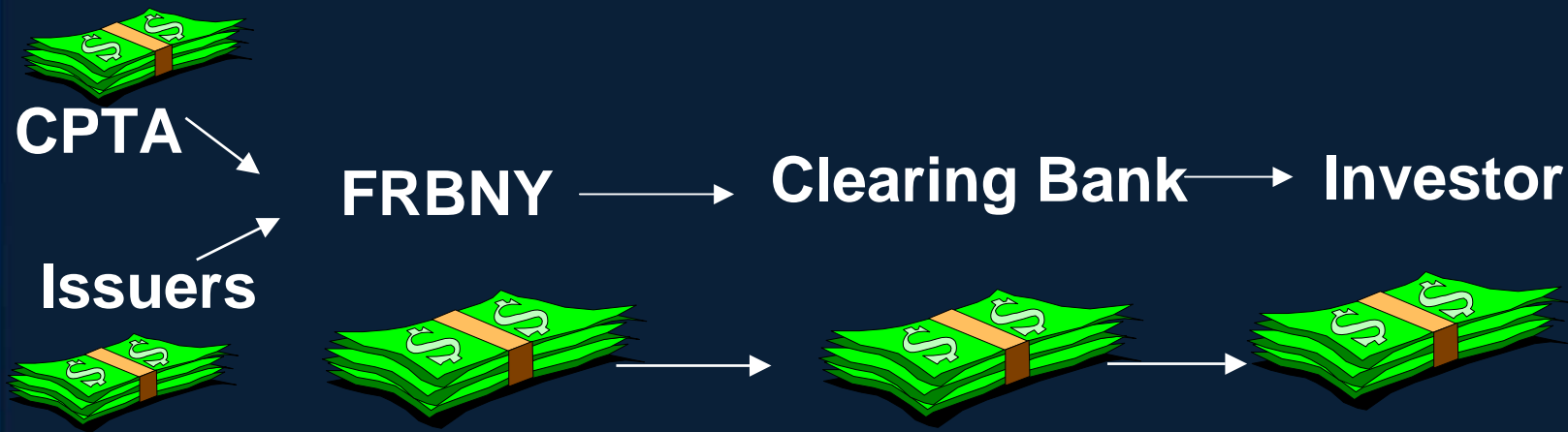
$$\begin{aligned} \text{Investor's Pro-Rata Share} * \text{Pool Principal Payment} \\ 0.00250000 * \$8,000 &= \$20.00 \end{aligned}$$

## **Investor's Interest Due:**

$$\begin{aligned} \text{Investor's Pro -Rata Share} * \text{Pool Interest Payment} \\ 0.00250000 * \$18,000 &= \$45.00 \end{aligned}$$

$$\begin{aligned} \text{Total Investor Distribution} &= \text{Principal} + \text{Interest} \\ \$20.00 + \$45.00 &= \$65.00 \end{aligned}$$

# FRBNY - Payments



# Unclaimed Funds

# Unclaimed Funds

Funds for checks not cashed or undeliverable are returned to Ginnie Mae after six months.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION		2048
DATE _____		
PAY TO THE ORDER OF _____	\$	
_____ DOLLARS		
THE CHASE MANHATTAN BANK		
_____ _____ _____		
⑆00 2100 6610 770 ⑆ 9640 76⑆ 2121		



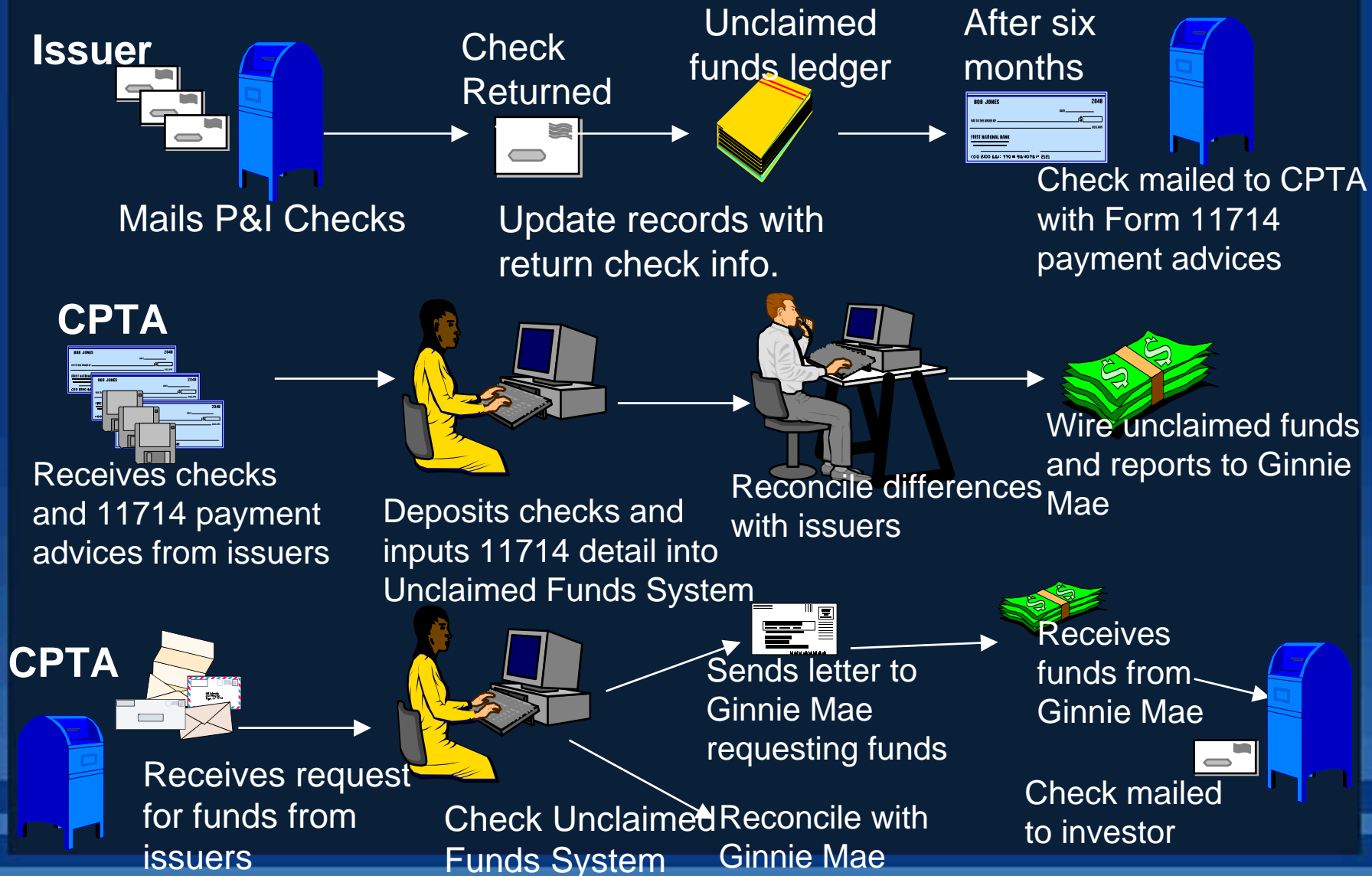
# Unclaimed Funds

- CPTA tracks Ginnie Mae I P&I payments that are unclaimed, for a period of six months or more, by security holders.
- Ginnie Mae I Issuers forwards checks representing unclaimed funds, that are six or more months old, along with the remittance advice to the CPTA.
- CPTA forwards the funds received to Ginnie Mae and tracks those investors whose funds are still unclaimed.
- Issuer forwards investor claim to CPTA.

# Unclaimed Funds

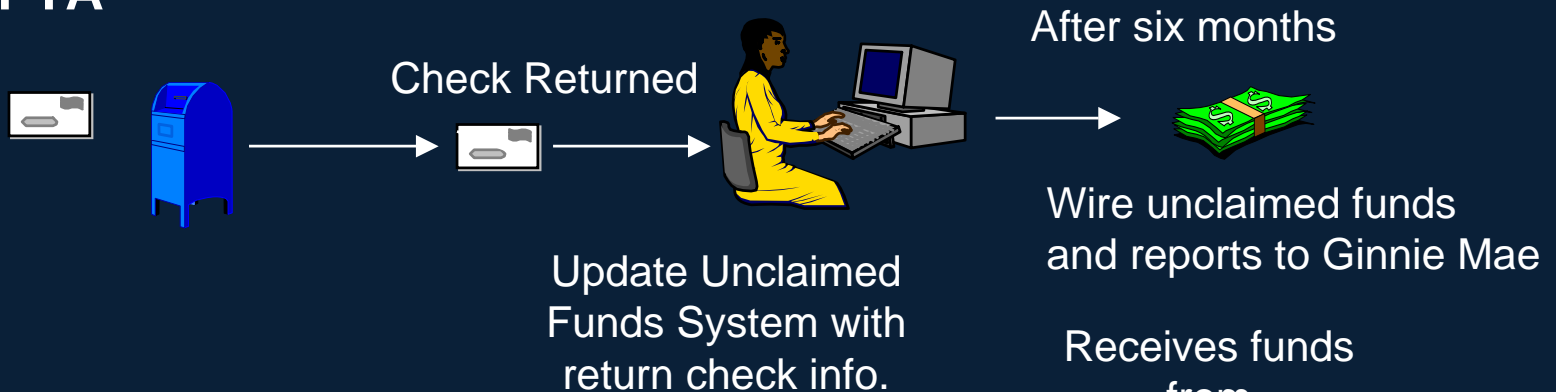
- Claim is reviewed by the CPTA and upon approval by Ginnie Mae, the funds are returned to the Issuer to honor the claim.
- CPTA receives all undelivered Ginnie Mae II checks. Checks not cashed for a period of ninety days are also classified as unclaimed.
- Claims by Ginnie Mae II investors for funds not received are processed by the CPTA and claims are honored upon approval by Ginnie Mae.

# Ginnie Mae I Unclaimed Funds Process

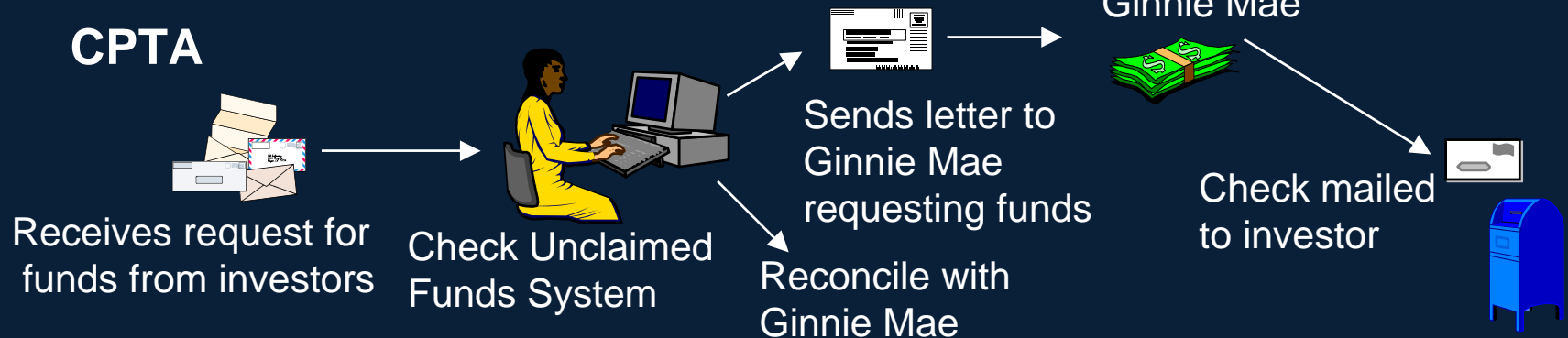


# Ginnie Mae II Unclaimed Funds Process

## CPTA



## CPTA



# Ginnie Mae Guaranty Fee



# Ginnie Mae Guaranty Fee Calculation & Collection

# Ginnie Mae Guaranty Fee

- CPTA calculates the guaranty fee based on prior month's RPB and the guaranty fee rate assigned to the pool.
- A pre-collection notice is mailed on the 3<sup>rd</sup> and 7<sup>th</sup> business day advising of the guaranty fee due.
- CPTA drafts Issuer's bank account for the guaranty fee via ACH.
- Transmission sent to Data Collection Contractor (Lockheed Martin) detailing amount drafted from each issuer.
- Guaranty Fees wired to Ginnie Mae on the 10<sup>th</sup> for Ginnie Mae I and and 20<sup>th</sup> calendar day for Ginnie Mae II.



Questions